

## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.22.2009

Wall Street Journal: "Pay Czar to Slash Compensation at Seven Firms ... The U.S. pay czar will cut in half the average compensation for 175 employees at firms receiving large sums of government aid, with the vast majority of salaries coming in under \$500,000, according to people familiar with the government's plans."

Wall Street Journal: "FSA Says Banks Must Draw Up 'Living Wills' ... British banks may need to split their retail businesses from riskier trading operations if so-called "living wills" show they would be too complex to wind down, the Financial Services Authority said Thursday."

Wall Street Journal: "Beige Book Sees Stabilization Signals ... U.S. consumer spending was weak in most parts of the U.S. during late summer and early fall, leaving unexciting prospects for economic growth into the rest of 2009."

Wall Street Journal: "Banks May Face New Capital Requirements ... Momentum is building within the Federal Reserve to force banks, especially large ones, to stock up on a new kind of debt that would convert into equity if they hit rocky times."

Washington Post: "Inflation fears drive dollar dip ... Fears of inflation and large U.S. budget deficits drove the dollar on Wednesday to its weakest level since August 2008 and helped push oil prices to their highest in more than a year."

Washington Post: "Low-wattage bright spots in Fed report on economy ... Many parts of the U.S. economy are showing

"modest improvements," the Federal Reserve reported on Wednesday, but bursts of activity in the manufacturing and housing sectors were overshadowed by weakness in the job market."

NY Times: "S.E.C. Proposes Tighter Limits on Private Trading System ... Federal regulators are proposing tighter oversight for so-called dark pools, trading systems that do not publicly provide price quotes and compete with major stock exchanges."

NY Times: "Who's Looking at the Fed's Books? ... ON Tuesday, Senator Jeff Merkley, Democrat of Oregon, and Senator Bob Corker, Republican of Tennessee, introduced legislation to allow the Government Accountability Office to audit some of the Federal Reserve's lending programs. Different bills calling for more comprehensive Fed audits already have widespread support in the House and Senate. Expanding this oversight is long overdue."

LA Times: "Community banks to get bailout money as Obama seeks to boost small business ... President Obama, looking to boost lending to small business, will start using some of the leftover federal bailout funds to shore up smaller community banks and induce them to offer credit to firms he called the "backbone of the American economy.""

USA Today: "Weak dollar raises talk of alternative world currency ... Just about every day seems to bring more bad news for the dollar."

USA Today: "SEC proposes tighter oversight of 'dark pool' trading systems ... Federal regulators are proposing tighter oversight for so-called "dark pools," trading systems that don't publicly provide price quotes and compete with major stock exchanges."

The Washington Times: "Bernanke: Speeding up credit card rules could hurt consumers ... Federal Reserve Chairman Ben S. Bernanke warned Congress this week about efforts to move up the effective date of tough new rules for credit card companies, saying such action could hurt consumers as much or more than help them."

Reuters: "Bernanke sees problems with faster credit card rules ... Implementing tougher new credit card disclosure rules more quickly could help consumers but could also lead to unintended consequences and bank compliance problems, Federal Reserve Chairman Ben Bernanke said on Wednesday."

Forbes: "Mr. Geithner: Stop Passing The Buck On The Dollar ... It seems nobody in this country wants to take responsibility for the secular decline in the value of the U.S. dollar. When Fed Chairman Ben Bernanke is asked about the currency's decline, he refers the query to the Treasury Department."

The Hill: "Schumer urges Fed to accelerate credit card reforms under legislative threat ... Congressional Democrats said Wednesday they would force the Federal Reserve to speed up restrictions on the credit card industry if the central bank does not act faster."

Politico: "Financial-reform boost ... Look beyond the health care debate for just a moment and you'll see that Democrats' no. 2 priority - financial reform - is quietly gaining steam."